

Melbana Energy in Cuba – An international perspective

3rd Annual Cuba Energy Oil and Gas

Havana, Cuba

26 – 29 November 2019



Company Overview

Company Data

Listed	1998
Exchange	ASX (“MAY”)

Shareholders

Cadence Capital	~ 7%
Board/Management	~ 5%
Top 20	~ 28%

Board and Management

Board of Directors



Andrew Purcell
Non-Executive
Chairman



Peter Stickland
Non-Executive
Director



Michael Sandy
Non-Executive Director
(Interim CEO)

Senior Team



Errol Johnstone
Chief Geoscientist



Dean Johnstone
Senior Geoscientist



Dr. Rafael Tenreyro
Cuba Representative



Experienced Board and Management

- Decades of international experience in Oil & Gas
- Technical, Financial and Commercial backgrounds
- Extensive fold and thrust belt experience

Major Projects Summary

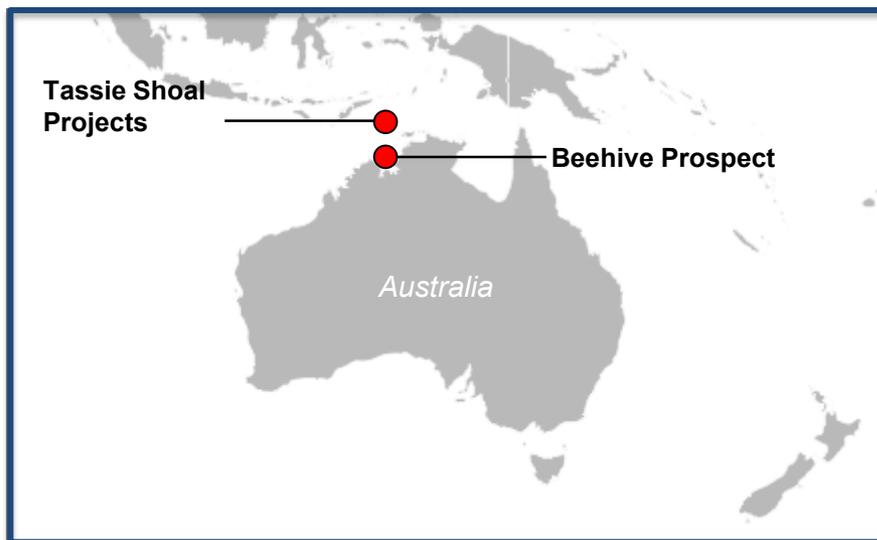


Cuba (Block 9, 100%)

- Onshore block in proven hydrocarbon system
- Potential of ~15.7 billion barrels of oil in place, recoverable Prospective Resources of 676 million barrels of oil¹

Cuba (Santa Cruz)

- Binding agreement signed Dec 2018



Australia (Beehive, 100%)

- The largest undrilled target in Australia
- Prospective Resource estimated as 388 million barrels of oil equivalent¹
- Total and Santos were partners in 3D Seismic Survey completed August 2018. Santos holds option to drill well and fund Melbana

Australia (Tassie Shoal Methanol and LNG Projects)

- Lowest cost development path for discovery undeveloped gas

¹Best Estimate per Independent Expert McDaniel & Associates Report

Cuba – Why?

- Under-explored
- Huge oil potential
- Produce half of domestic needs
- Reported low operating costs
- Investment climate
 - No evidence of corruption
 - Government support for oil industry
 - Tax rate
 - Tax holiday
- Good local infrastructure
- Educated workforce
- Early mover advantage achievable
- Aligned with technical competence
- Add value by applying new exploration techniques



Cuba, Block 9 – Resource Assessment

McDaniel & Associates assess Prospective Resources up to 1.5 billion barrels

- Large footprint - 2,344km²
- Lightly explored
- Along trend from Varadero oil field
- 3 prospects, 16 leads identified
- Potential for large Varadero type structures
- Cuba experts McDaniel & Associates Consultants² independently assessed:
 - Best estimate prospective resource 676 million barrels of oil³



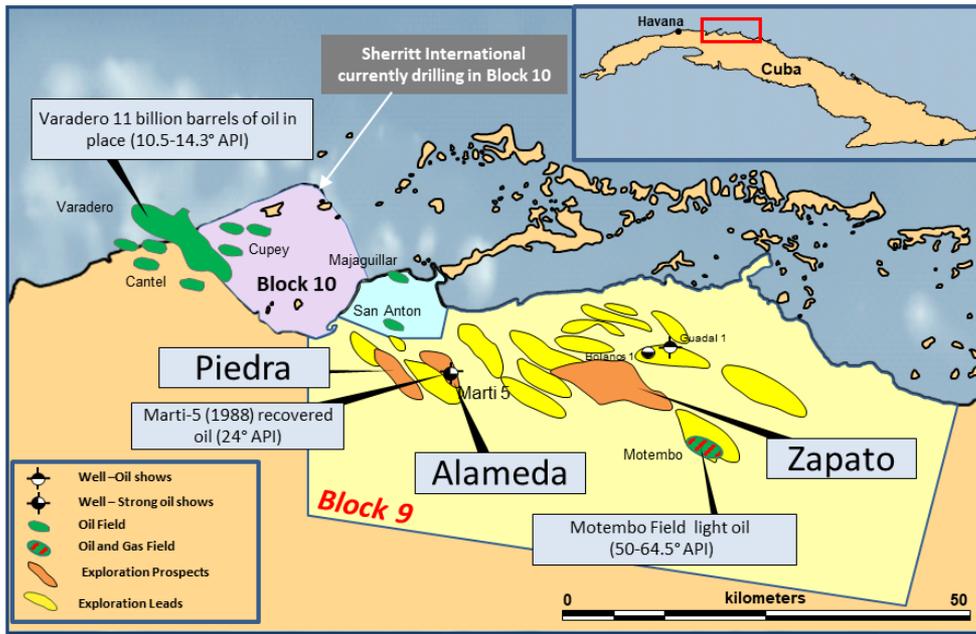
Block 9 Exploration Potential ³	Low	Best	High	Mean
	MMstb	MMstb	MMstb	MMstb
Prospective Resources	288	676	1,462	798

Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

² See www.mcdan.com/experience

³ per Independent Expert McDaniel & Associates Report, as adjusted by Melbana Energy for areas relinquished

Cuba, Block 9 – 19 Leads in Conventional Play



Highlights

- Along trend from Varadero
- Varying qualities of oil recovered
- Motembo, oldest oil field in Cuba is very light oil
- Sherritt drilling in Block 10
- Discussions with potential partners
 - 2 wells starting Q3 2020
 - Alameda and Zapato current preferred targets
 - Drilling program to test best estimate prospective resource of ~236 million barrels of oil

Recoverable Prospective Resources (100% MMstb)³

Objective	CoS*	Low	Best	High	Mean
Alameda High/(Amistad)	15%	24	60	132	71
Alameda Mid	23%	4	9	19	10
Alameda Deep	32%	39	72	128	79
Zapato	23%	38	95	214	114

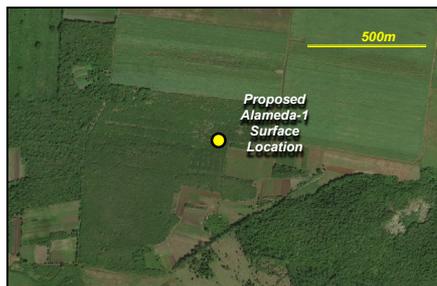
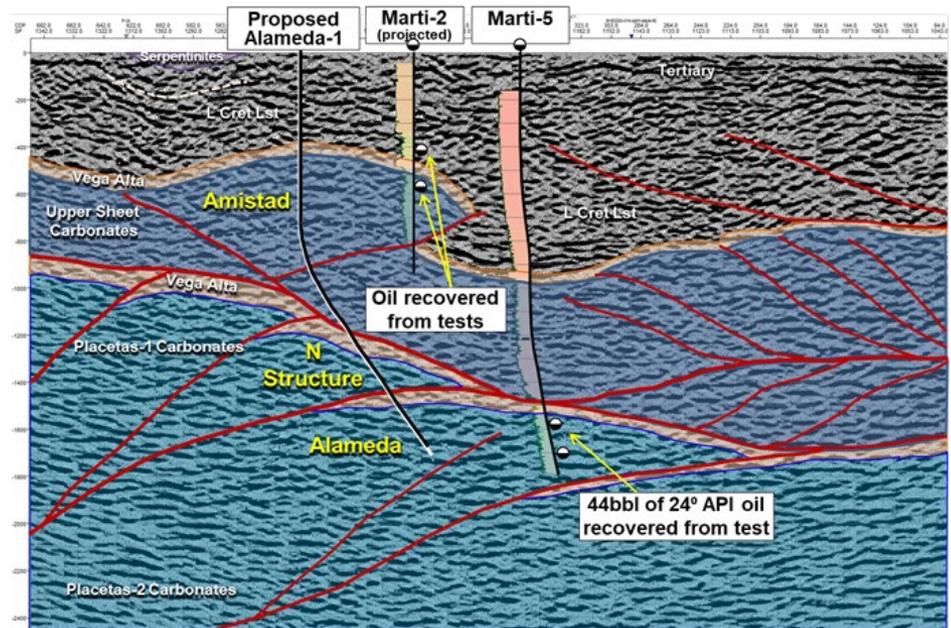
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³ per Independent Expert McDaniel & Associates Report

Cuba, Block 9 - Alameda Prospect

Multi-target exploration drilling close to historic oil recoveries

- Three individual target zones for Alameda, two up-dip of known oil recoveries
- Marti-5 (1988) recovered oil (24°API) with oil shows over an 850 metre gross interval
- 32% chance of success at Alameda
- Best Estimate combined exploration potential:
 - 3 billion barrels oil-in-place³
 - 141 million barrels of recoverable oil³
- Primary objective depth range from 3,000 to 3,700 metres
- Easy to access site, near existing roads, all-weather access



Alameda Recoverable Prospective Resources (100% MMStb)³

Objective	CoS*	Low	Best	High	Mean
Alameda High/(Amistad)	15%	24	60	132	71
Alameda Mid/N	23%	4	9	19	10
Alameda	32%	39	72	128	79

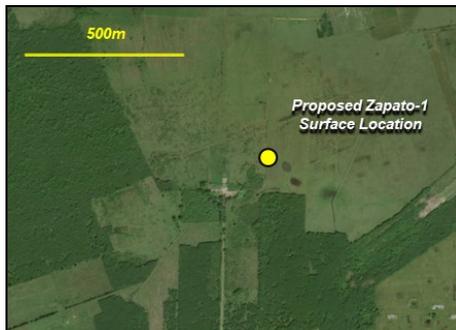
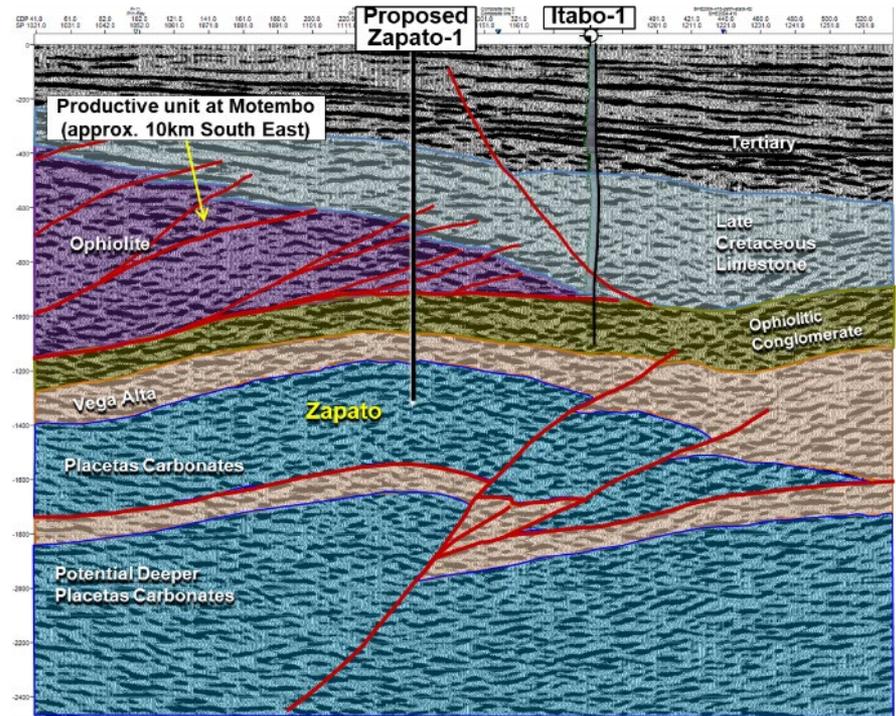
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³per Independent Expert McDaniel & Associates Report

Cuba, Block 9 – Zapato Prospect

Multiple structures with 200 million barrel oil exploration potential

- Large fractured carbonate objective
- Working oil system - adjacent to shallower Motembo oil field which produced high quality light crude (50 – 64.5° API)
- Crest of structure ~2,000 metres with nearly 1,000 metres vertical relief
- Gravity and magnetic study by Cuba’s specialist laboratory CEINPET indicates strong gravity and magnetic alignment with the structural interpretation derived from seismic and surface data
- Easy to access site, near existing roads, all-weather access



Zapato Recoverable Prospective Resource (100%, MMstb)³

	CoS*	Low	Best	High	Mean
Zapato	23%	38	95	214	114

Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. * Chance of Success

³per Independent Expert McDaniel & Associates Report

Block 9 - Preparations for drilling

Securing people, permits, equipment and services

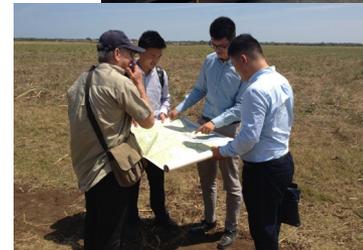
- Field work surveys completed for Alameda-1 and Zapato-1 well and camp sites
- Civil engineering design completed
- Preferred civil works contractor identified

Permitting

- Well defined regulatory process
- Stakeholder engagement ongoing
- Key environmental approvals obtained

Drilling Rig & Services

- Possible drilling rigs identified for target drilling windows
- Services tender concluded and currently being refreshed



Great things about Cuba

- **People & Culture**

- No evidence of corruption
- Excellent access to well educated and experienced people
- Excellent health care system
- Friendly
- Resilient



- **Physical Environment**

- Safe environment for foreign workers
- Well located for long term access to markets in Latin America and North American markets



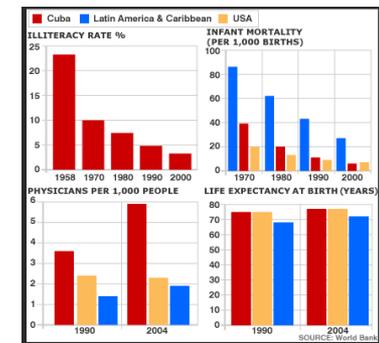
- **Regulatory Framework**

- Transparent legal framework
- Encouragement for foreign investment
- Foreign investment tax incentives
- Standard approach to oil and gas investments



- **Oil and Gas**

- Cupet as a central point of contact
 - Accessible people
 - Provide excellent assistance and consistency
- Underexplored, oil and gas everywhere, opportunity for western techniques to unlock resources
- Pent up investment demand from USA and Western countries that are embargoed or embargo-shy
- Defined rights for land access



Some challenges when operating in Cuba

- Like every country, operating in Cuba has some challenges
- “Cuba-time” effect
- Restrictions on sourcing of staff
- Banking system and usage interface is ready for modernisation
- Internet infrastructure improving, but still needs improvement for business
- Costs of capital equipment related activities are above expectation in some areas, driven by embargo restrictions

Overall, Melbana’s experience in Cuba from a business and personal relationship perspective has been very positive. We see tremendous opportunities in our industry in Cuba, and look forward to expanding our business and having success in our oil exploration and development activities over the next few years.

Near term business events in Cuba for Melbana.....

✓ Sign binding agreement for Block 9 farmout *(Q1 2020)*

✓ Sign binding agreement for Santa Cruz *(Q1 2020)*

✓ Block 9 drilling of first exploration well *(Q4 2020)*

✓ Block 9 drilling of second exploration well *(Q1 2021)*

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Forward-looking Statements and Resources

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